

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
JUNE 16, 2022**

MINUTES

The Redevelopment Authority of the City of Milwaukee held a regular meeting at 1:30 p.m. in the 1st Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin.

MEMBERS PRESENT: Commissioner Frances Hardrick, Chair
Commissioner Lois A. Smith, Vice Chair
Commissioner Kathryn West
Commissioner Bill Schwartz
Commissioner Monique Charlier
Commissioner Ashanti Hamilton

MEMBER EXCUSED: Commissioner Jose Galvan

ALSO IN ATTENDANCE: David P. Misky, Assistant Executive Director-Secretary

After the Pledge of Allegiance and Roll Call, the Chair asked for a motion to adopt the Minutes of the May 19, 2022 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for today's public hearings regarding approval of a Project Plan and Property Disposition, the required Class II notices were published in the Daily Reporter on June 2nd and June 9th. In addition, regarding the approval of two Project Plan Amendments, the required Class I notices were published in the Daily Reporter on June 9th.

Item 1, Public Hearing

Resolution adopting the boundaries and Project Plan for the Michigan Commons Tax Incremental Financing District.

Maria Prioletta of DCD Housing introduced TID 109, Michigan Street Commons. TID 109 would provide assistance to an affordable housing redevelopment that includes 99 one- and two-bedroom units with an investment of \$27.5MM. The proposed project is by Bear Development which will utilize affordable housing tax credits, bonds, and private equity. The \$1.8MM TID is developer-financed with a 5.25% interest rate paid back over 19 years. The project will have best efforts of 25% SBE and 40% RPP.

SR Mills, Adam Stempler, and Nick Orthman of Bear Development provided additional background and shared that their company has built over 3,000 residential units to date and has other upcoming projects coming to the City soon.

Commissioner Schwartz asked for clarity on the bigger proposed development that includes a soccer stadium, a hotel, and a concert venue. Mr. Mills stated this project is independent of the rest of the development but that Bear Development is the lead developer for the rest of the project components, as well. Commissioner Schwartz then asked about the location of the housing project and who will be the target market for leasing. Mr. Mills stated the building fit best at this location due to the property orientation

and the target market will not include Marquette students since they do not qualify for affordable housing tax credit units. The target market is the downtown workforce. The most comparable project is Bear's development at 700 W. Michigan Street that has 49 affordable units and is 95-100% occupied. Ms. Prioletta confirmed the TID assistance is only for the housing project and that the federal tax code prohibits most students from living at an affordable housing project.

Commissioner Smith asked about parking for the project to which Ms. Prioletta stated there will be 29 spaces in the building but the surrounding area has spots available. Chair Hardrick asked if the parking spots are included in the rent to which they are not and is apparently typical of affordable housing projects. Commissioner Charlier asked about greenspace amenities. Mr. Mills stated this is an urban site so there is very little open space in the southeast corner of the property but the rest of the future development will have additional open space including a soccer field that will be made available to the public.

Citizen Jason Ross of the 7th Aldermanic District spoke in opposition of TID 109. Mr. Ross does not agree with subsidizing this development with money that taxpayers will not see the financial benefits from the project for 19 years. Ms. Prioletta responded with an explanation of the City's affordable housing policy. This policy recognizes that affordable rents create a gap in financing a housing project and this policy includes putting all the risk on the developer. Ms. Prioletta then explained the "but for" test that must be passed before a TID is considered.

Peter Rickman, President of Milwaukee Area Service and Hospitality (MASH) Worker Organization, also spoke. MASH would like the public bodies to consider a Community Benefits Agreement for the rest of the project, much like the Fiserv Forum, if City assistance is considered.

Chair Hardrick then asked how sites are selected for affordable housing projects. Ms. Prioletta stated City-owned or RACM-owned sites are considered first (e.g. vacant land and former schools). Mr. Mills then stated there are a lack of sites, particularly downtown, but this site was large enough to move an affordable project forward with other entertainment amenities to follow.

Finally, Commissioner Charlier asked about the construction risks for the project. Mr. Mills shared that the risks are difficult to assess but all of the risk does fall on the developer rather than the City.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10914.

Item 2, Public Hearing

Resolution approving the Land Disposition Report and conveyance of the Redevelopment Authority property at 4132 North Holton Street, in the 6th Aldermanic District.

Matt Haessly of Real Estate presented the resolution. The subject property has had significant environmental issues that caused the City to place it on the "Do Not Acquire" list. The Authority worked closely with the USEPA and the WDNR to have the responsible party clean up the impacts (primarily PCBs). The site has been remediated to the point that the Authority issued an RFP last year and determined Spike Brewing was the appropriate developer to move a development forward.

Ben Caya of Spike Brewing provided a history of his 11-year old company and the plans for growing his company. The company has 25 jobs currently and plans on adding 15-20 additional jobs in the next 3 years. The company would build a 73K sf building and would

occupy about 2/3 of the building and find a tenant for the remaining space until Spike needed the room to expand. The space would allow the company to install an engineering lab, testing and classroom space, dedicated office space, and 3 new production lines.

Chair Hardrick asked about City residents and employment to which Mr. Caya responded that 11 of the 25 employees live within 3 miles of their current space and that 60-70% of the employees are City residents.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10915.

Item 3, Public Hearing

Resolution approving a Fifth Amendment to the Project Plan for Tax Incremental Financing District No. 41 (Time Warner Riverwalk).

Alyssa Remington of Economic Development described the boundaries and the projects TID 41 has contributed toward including Manpower and Spectrum (formerly Time-Warner). Previous amendments have provided funds for public infrastructure improvements. This amendment would provide \$5.5MM of increment for additional public infrastructure improvements to help in managing reckless driving. An additional \$1MM of increment would be provided to the Anti-Displacement Fund for a total of \$6.5MM. The current value of the District is \$142MM with annual increment of \$3MM.

Commissioner Schwartz asked about Golda Meir School to which Ms. Remington stated some improvements will be made around the school for crosswalks, etc. to make the area safer for pedestrians. Commissioner Schwartz then asked about the Anti-Displacement Fund. Ms. Remington and Ms. Prioletta stated the money can also be used as a tool to keep rental housing affordable and to create a homeownership program.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10916.

Item 4, Public Hearing

Resolution approving a Third Amendment to the Project Plan for Tax Incremental Financing District No. 70 (735 N Water).

Alyssa Remington of Economic Development shared that there are riverwalk improvements needed and the City is working through the Business Improvement District to complete \$175K worth of work. The work includes concrete and railing work on the riverwalk at Highland Avenue and Mason Street. In addition, the amendment includes \$903K for riverwalk and dockwall improvements for the new 32-story project at 333 N. Water Street. The current value of the District is \$38MM with annual increment of \$400K so the TID will be paid off in a few years.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10917.

Item 5, Regular Business

Resolution authorizing an agreement with RACM, VOW, and VCP regarding 6767 N. 60th Street in the 9th Aldermanic District.

Real Estate Manager Amy Turim reintroduced the "tiny homes" project showing the proposed location and prior approvals for Veterans Outreach of Wisconsin (VOW) to

construct including the land sale. This resolution allows VOW to work with Veterans Community Project (VCP) of Kansas City, Missouri to carry forward the project. Bryan Meyer, Executive Director of VCP introduced himself and the organization.

Commissioner Schwartz asked about VCP's experience with community engagement where not everyone is excited about the tiny homes project being in their backyard. Mr. Meyer stated that outreach is critical. VCP has found many great neighborhood partners with the construction and offerings of their facilities. VCP is currently in the process of constructing tiny homes in St. Louis, Colorado, and South Dakota and will fill any gaps that may exist in veterans services in the area rather than replace any existing services.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10918.

Item 6, Regular Business

Resolution authorizing up to a \$2,000,000 loan from the EPA Brownfield Revolving Loan Fund to 4132 Holton, LLC to be used on the property at 4132 North Holton Street, Milwaukee, Wisconsin.

Tory Kress of the Environmental Team provided an overview of the RACM Brownfield Revolving Loan Fund Program. The Authority has received \$10.2MM from the USEPA with which we have provided 17 loans that has assisted in remediating 225 acres, brought in \$567MM of private investment, and added or retained over 4,400 jobs. This resolution authorizes staff to prepare loan documents with MEDC for Spike Brewing to borrow up to \$2MM from the Brownfield RLF that follows the draft term sheet provided to the Board. The terms include an 8-year term with no interest or principal payments for the first 2 years, interest-only for years 3 and 4, and then principal and interest for years 5 through 8.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10919.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Smith to schedule the next regular meeting for **July 21, 2022**, at 1:30 P.M., 1st Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin, and, to adjourn. The motion carried without objection.

David P. Misky
Assistant Executive Director-Secretary

NOTE: An audio file of this meeting is incorporated and made a part hereof by reference as if fully set forth herein. A copy is available upon request.